

Message Text

LIMITED OFFICIAL USE

PAGE 01 STATE 134833
ORIGIN MMO-02

INFO OCT-01 EUR-12 ISO-00 EB-08 TRSE-00 PER-01 SS-15
NSC-05 SP-02 ABF-01 /047 R

DRAFTED BY M/MO:RGMAYS, JR.
APPROVED BY M/MO:JMCLARK
EUR/CAN - C. CLEMENT (SUBS)
EUR/EX - J. TULL (DRAFT)
EB/EX - R. DERTADIAN
E - M.T. MINNIES (INFO)
TREASURY - ED LACK (INFO)
TREASURY - D. SYVRUD (SUBS)
PER/FCA/T&R - B. GROVES (INFO)
M/DGA - AMB. BARNES (DRAFT)
-----128471 261926Z /75
P 261829Z MAY 78
FM SECSTATE WASHDC
TO AMEMBASSY OTTAWA PRIORITY

LIMITED OFFICIAL USE STATE 134833

E.O. 11652:N/A

TAGS: AODE, EFIN, CA

SUBJECT: MODE - TREASURY PROPOSAL CONCERNING FINANCIAL
REPORTING UNIT

1. SECRETARIES VANCE AND BLUMENTHAL AGREED IN PRINCIPLE
LAST OCTOBER ON ESTABLISHING AN ADDITIONAL FINANCIAL
REPORTING OFFICER POSITION AT OTTAWA ON A TEMPORARY BASIS,
TO SUPPLEMENT EXISTING CAPABILITIES PENDING IMPROVEMENTS
IN THE CANADIAN ECONOMY. THIS AGREEMENT PREDATED THE
PRESIDENT'S ENDORSEMENT OF A SELECTIVE REDUCTION IN OVER-
SEAS STAFFING VIA THE MODE PROCESS. TREASURY OFFICERS
LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 02 STATE 134833

SUBSEQUENTLY DISCUSSED THE MATTER WITH THE EMBASSY, AND
THE DEPARTMENT HAS NOW RECEIVED A TREASURY PROPOSAL TO
ESTABLISH TWO TREASURY FUNDED POSITIONS (AN OFFICER AND A
SECRETARY) TO SERVE THE STATED PURPOSE. IN VIEW OF RENEWED
EFFORT TO REDUCE MODE CEILINGS WORLDWIDE, EMBASSY IS
REQUESTED TO REEVALUATE NEED FOR ADDITIONAL FINANCIAL
REPORTING OFFICER POSITION. SHOULD EMBASSY CONTINUE TO

SUPPORT REQUIREMENT FOR POSITION, SPECIFIC COMMENTS ARE REQUESTED ON DETAILS BELOW CONCERNING PROPOSED POSITION.

2. ALONG WITH A DETAILED MODE PROPOSAL, THE TREASURY DEPARTMENT HAS PREPARED A JOB DESCRIPTION FOR THE NEW OFFICER POSITION TO BE ESTABLISHED (I.E., TO BE FILLED ON

TREASURY DETAIL BY FSO WARREN CLARK) AND COMMENTS ABOUT THE STATE FINANCIAL OFFICER POSITION, NOW OCCUPIED BY HIM, WHICH MAY UNDERGO SOME CHANGE WITH THE EXPANSION OF THE UNIT. THE MODE PROPOSAL CONTAINS THE FOLLOWING POINTS:

(A) THE NEW, SENIOR OFFICER SHOULD HAVE ATTACHE TITLE; (B) THE SECRETARIAL POSITION IS ESSENTIAL SINCE THERE IS NO U.S. SECRETARY CURRENTLY ASSIGNED TO THE EMBASSY'S FINANCIAL UNIT; (C) THE TWO NEW POSITIONS SHOULD BE ESTABLISHED IMMEDIATELY; (D) THE EMBASSY WILL BE EXPECTED TO PROVIDE FULL ADMINISTRATIVE SUPPORT, AND THE ATTACHE, WITH DIPLOMATIC STATUS, WOULD BE FULLY RESPONSIVE TO THE AMBASSADOR; (E) THE CANADIAN GOVERNMENT (ASSOCIATE DEPUTY MINISTER OF FINANCE WILLIAM HOOD) HAS REACTED POSITIVELY TO ASSIGNMENT OF A FINANCIAL ATTACHE; (F) TREASURY HAS IDENTIFIED NO MODE POSITIONS WHICH MIGHT BE ELIMINATED TO OFFSET ESTABLISHMENT OF THE TWO NEW AMERICAN POSITIONS.

3. THE NEW OFFICER'S FUNCTIONAL TITLE IS LISTED BY TREASURY AS FINANCIAL ATTACHE, CANADA. THE TEXT OF THE LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 03 STATE 134833

PROPOSED JOB DESCRIPTION IS AS FOLLOWS:

QUOTE: THE PRIMARY MISSION OF THIS OFFICER (FINANCIAL ATTACHE) IS TO OBSERVE, ANALYZE AND REPORT ON MACRO-ECONOMIC PROBLEMS AND DEVELOPMENTS AFFECTING THE UNITED STATES, CANADA, AND OTHER COUNTRIES WHERE APPLICABLE; TO ADVISE THE AMBASSADOR AND OTHER AMERICAN INTERESTS ON ECONOMIC AND FINANCIAL MATTERS OF ALL KINDS; AND TO ASSUME RESPONSIBILITY FOR THE PREPARATION AND SUBMISSION OF REPORTS ON ECONOMIC AND FINANCIAL MATTERS FOR THE EMBASSY, AND INTERESTED U.S. GOVERNMENT AGENCIES.

HE MAINTAINS CLOSE CONTACTS WITH OFFICIALS OF THE MINISTRY OF FINANCE, BANK OF CANADA, AMERICAN AND CANADIAN BUSINESSMEN AND BANKERS, AND REPRESENTATIVES OF INTERNATIONAL ORGANIZATIONS IN ORDER TO KEEP THE U.S. GOVERNMENT INFORMED ON ECONOMIC AND FINANCIAL DEVELOPMENTS OF CONCERN TO BOTH GOVERNMENTS.

HE REVIEWS, PARTICIPATES IN, ANALYZES, AND REPORTS ON ECONOMIC PROBLEMS AND MATTERS INVOLVING THE EMBASSY, EXPORT-IMPORT BANK, INTERNATIONAL BANK, THE INTERNATIONAL

MONETARY FUND, AND OTHER FOREIGN OR INTERNATIONAL FINANCIAL AGENCIES. A WIDE VARIETY OF SUBJECTS ARE COVERED INCLUDING ECONOMIC GROWTH, INFLATION, UNEMPLOYMENT, MONETARY AND FISCAL POLICY, EXCHANGE MARKET DEVELOPMENTS, BALANCE OF PAYMENTS AND INVESTMENT.

HE SERVES AS FINANCIAL ADVISOR TO THE AMERICAN AMBASSADOR ON FINANCIAL AND ECONOMIC CONSEQUENCES AND IMPLICATIONS OF AMERICAN POLICY TOWARD CANADA, AND ON THE POLITICAL CONSEQUENCES OF FINANCIAL AND ECONOMIC DEVELOPMENTS. HE IS ALSO RESPONSIBLE WITHIN THE EMBASSY FOR KEEPING ABREAST OF MACRO-ECONOMIC AND FINANCIAL MATTERS AND POLICY OF THE UNITED STATES.

LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 04 STATE 134833

HE MUST PARTICIPATE AND SPEAK FOR THE U.S. GOVERNMENT IN VARIOUS CONFERENCES, ADVISORY SESSIONS OR NEGOTIATIONS WITH HIGH OFFICIALS OF THE CANADIAN GOVERNMENT. IN SUCH MEETINGS, PROBLEMS ARISE ON WHICH NO GUIDANCE HAS BEEN RECEIVED AND HE MUST BE PREPARED TO MAKE IMMEDIATE DECISIONS WITHIN THE BROAD GENERAL FRAMEWORK OF UNITED STATES POLICY AS HE UNDERSTANDS IT. HE MUST RELATE HIS KNOWLEDGE AND DECISIONS TO THE EXECUTION OF PROGRAMS BEING CARRIED OUT OR DEVELOPED BY THIS GOVERNMENT. THESE PROGRAMS ARE FREQUENTLY OF GREAT INTERNATIONAL SIGNIFICANCE.

HE ATTENDS INTERNATIONAL CONFERENCES AS FINANCIAL ADVISOR TO THE U.S. DELEGATION OR AS OBSERVER FOR TREASURY. HE FURNISHES TECHNICAL INFORMATION AND JUDGEMENTS BASED ON A COMPREHENSIVE KNOWLEDGE OF U.S. AND CANADIAN ECONOMIC AND FINANCIAL DEVELOPMENTS AND POLICIES, AND PROVIDES EXPLANATIONS OF BUSINESS CONDITIONS AND MACRO-ECONOMIC AND FINANCIAL POLICIES TO VISITING OFFICIALS OF THE U.S. GOVERNMENT CANADIAN OFFICIALS, AMERICAN AND FOREIGN BUSINESSMEN AND OTHER PRIVATE INDIVIDUALS. END QUOTE.

4. THE TREASURY REQUEST SUMMARIZES A JOINT ENDERS-SYVRUD PROPOSAL ON IMPROVED ARRANGEMENTS FOR FINANCIAL REPORTING IN CANADA, INCLUDING COMMENTS ON THE EXISTING STATE FINANCIAL OFFICER POSITION:

QUOTE: (A) THAT A FINANCIAL ATTACHE POSITION, SUPPORTED BY AN AMERICAN SECRETARY, BE ESTABLISHED IN OTTAWA, WITH FSO WARREN CLARK DETAILED TO TREASURY FOR THAT POSITION. (B) THE FSO POSITION OPENED BY CLARK'S DETAIL TO TREASURY WOULD BE FILLED BY THE BEST QUALIFIED CANDIDATE AVAILABLE FROM TREASURY AND THE FOREIGN SERVICE, THE NEW OFFICER PREFERABLY HAVING A BACKGROUND IN SOURCES AND USES OF LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 05 STATE 134833

FINANCIAL FLOWS. (C) THIS WOULD CREATE A THREE OFFICER UNIT TO PROVIDE MACRO-ECONOMIC ANALYSIS AND REPORTING OF THE CANADIAN ECONOMY, COMPARABLE TO THE UNITS WE HAVE IN THE OTHER MAJOR POSTS. IN PARIS, BONN, ROME AND LONDON, THE COMPARABLE UNITS HAVE TWO TREASURY OFFICIALS AND ONE FSO. SINCE CANADA IS THE LARGEST TRADING PARTNER OF THE U.S. AND IS HEAVILY RELIANT ON U.S. FINANCIAL MARKETS, OUR

STAFF IN OTTAWA SHOULD HAVE A CAPABILITY EQUAL TO THESE OTHER POSTS.

THIS JUSTIFICATION IS TO SUPPORT AN INCREASE IN THE CURRENT TWO OFFICER UNIT TO A THREE OFFICER UNIT WITH THE SENIOR POSITION A FINANCIAL ATTACHE AS DESCRIBED EARLIER. END QUOTE.

5. IN REVIEWING THE DETAILS OF THE TREASURY PROPOSAL, DEPARTMENTAL OFFICES HAVE IDENTIFIED THE FOLLOWING MATTERS INTERALIA WHICH MERIT COMMENTS BY THE POST:

(A) SUBSTANTIVE FUNCTIONS AND TOPICS, NOT NOW COVERED BY THE EMBASSY, ON WHICH THE PROPOSED ADDITIONAL POSITIONS WOULD CONCENTRATE;

(B) CHANGES WHICH POST FORESEES IN THE DUTIES FOR THE POSITION WHICH TREASURY PROPOSES BECOME THE JUNIOR SUBSTANTIVE POSITION;

(C) ADMINISTRATIVE SUPPORT REQUIREMENTS AND MISSION'S ABILITY TO MEET THEM, INCLUDING COSTS FOR RELOCATING ANY EMBASSY OFFICES WHICH MIGHT BE DISPLACED BY THIS INCREASED FINANCIAL UNIT;

(D) ORGANIZATIONAL ARRANGEMENTS (INCLUDING SUPERVISION AND GUIDANCE OF THE UNIT'S SENIOR OFFICER) WHICH COM WISHES TO INAUGURATE TO ASSURE MAXIMUM EFFECTIVENESS OF LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 06 STATE 134833

THE UNIT;

(E) POST SUGGESTIONS FOR ASSURING EVALUATION OF (1) THE STATE OF THE CANADIAN ECONOMY AND THE CONINUING NEED FOR A THREE-OFFICER FINANCIAL UNIT, AND (2) THE EFFECTIVENESS OF AN FSO SERVING IN THE SENIOR FINANCIAL ATTACHE POSITION, AN ARRANGEMENT WHICH SOME SEE AS A PILOT-PROJECT

LEADING TOWARD IMPROVED SHARING OF THE OVERSEAS FINANCIAL REPORTING FUNCTION GENERALLY BETWEEN TREASURY AND STATE. (IN THIS CONNECTION, STATE AND TREASURY ARE IN THE PROCESS OF REVIVING A PROGRAM TO EXCHANGE OFFICERS STARTING THIS SUMMER.)

6. WOULD APPRECIATE COM COMMENTS ON THE TREASURY PROPOSAL, TO INCLUDE THE MATTERS IDENTIFIED IN PARAGRAPH 5 ABOVE. VANCE

LIMITED OFFICIAL USE

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 jan 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: FINANCE, ESTABLISHMENT OF OFFICES, EMBASSIES
Control Number: n/a
Copy: SINGLE
Draft Date: 26 may 1978
Decaption Date: 01 jan 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 20 Mar 2014
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1978STATE134833
Document Source: CORE
Document Unique ID: 00
Drafter: RGMAYS, JR.
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Expiration:
Film Number: D780223-0634
Format: TEL
From: STATE
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1978/newtext/t19780513/aaaaakmy.tel
Line Count: 233
Litigation Code IDs:
Litigation Codes:
Litigation History:
Locator: TEXT ON-LINE, ON MICROFILM
Message ID: 908e3895-c288-dd11-92da-001cc4696bcc
Office: ORIGIN MMO
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 5
Previous Channel Indicators: n/a
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: n/a
Retention: 0
Review Action: RELEASED, APPROVED
Review Content Flags:
Review Date: 05 may 2005
Review Event:
Review Exemptions: n/a
Review Media Identifier:
Review Release Date: N/A
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 2545453
Secure: OPEN
Status: NATIVE
Subject: MODE - TREASURY PROPOSAL CONCERNING FINANCIAL REPORTING UNIT
TAGS: AODE, EFIN, CA, US
To: OTTAWA
Type: TE
vdkgvwkey: odb://SAS/SAS.dbo.SAS_Docs/908e3895-c288-dd11-92da-001cc4696bcc
Review Markings:
Sheryl P. Walter
Declassified/Released
US Department of State
EO Systematic Review
20 Mar 2014
Markings: Sheryl P. Walter Declassified/Released US Department of State EO Systematic Review 20 Mar 2014